

Senate Bill No. 698

Passed the Senate June 2, 2011

Secretary of the Senate

Passed the Assembly September 7, 2011

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2011, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 14200 of the Unemployment Insurance Code, relating to workforce development.

LEGISLATIVE COUNSEL'S DIGEST

SB 698, Lieu. Workforce development: high-performance boards.

The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Existing law contains various programs for job training and employment investment, including work incentive programs, as specified. Existing law requires the local chief elected officials in a local workforce development area, to form, pursuant to specified guidelines, a local workforce investment board to plan and oversee the workforce investment system, and further requires the Governor to certify one local board for each local area in the state once every 2 years.

This bill would require the Governor to establish, through the California Workforce Investment Board, standards for certification of high-performance local workforce investment boards, in accordance with specified criteria. The bill would also require the Governor and the Legislature, in consultation with the California Workforce Investment Board, to reserve specified federal discretionary funds for high-performance local workforce investment boards. This bill would also require the California Workforce Investment Board to establish a policy for the allocation of those funds to those boards.

The people of the State of California do enact as follows:

SECTION 1. Section 14200 of the Unemployment Insurance Code is amended to read:

14200. (a) The local chief elected officials in a local workforce development area shall form, pursuant to guidelines established by the Governor and the board, a local workforce investment board to plan and oversee the workforce investment system.

(b) The Governor shall certify one local board for each local area in the state once every two years, following the requirements of the federal Workforce Investment Act of 1998.

(c) The Governor shall establish, through the California Workforce Investment Board, standards for certification of high-performance local workforce investment boards. The California Workforce Investment Board shall, in consultation with representatives from local workforce investment boards, initiate a stakeholder process to determine the appropriate measurable metrics and standards for high-performance certification. These standards shall be implemented on or before January 1, 2013, and the first certification of high-performance boards shall occur on or before July 1, 2013. Certification and recertification of each high-performance local workforce investment board shall occur thereafter at least once every two years. In order to meet the standards for certification, a high-performance local workforce investment board shall do all of the following:

(1) Consistently meet or exceed negotiated performance goals for all of the measures in each of the three federal Workforce Investment Act of 1998 customer groups, which consist of adults, dislocated workers, and youth.

(2) Consistently meet the statutory requirements of this division.

(3) Develop and implement local policies and a local strategic plan that meets all of the following requirements:

(A) Is separate and apart from the local plan required under the federal Workforce Investment Act of 1998.

(B) Is consistent with the California Workforce Investment Board strategic plan.

(C) Describes the actions that the board shall take to implement local policies in furtherance of its goals.

(D) Serves as a written account of intended future courses of action aimed at achieving the specific goals of the local and state board within a specific timeframe.

(E) Explains what needs to be done, by whom, and when each action is required to occur in order to meet those goals.

(4) Demonstrate that the local planning process involves key stakeholders, including the major employers and industry groups in the relevant regional economy and organized labor.

(5) Demonstrate that the local planning process takes into account the entire workforce training pipeline for the relevant

regional economy, including partners in K-12 education, career technical education, the community college system, other postsecondary institutions, and other local workforce investment areas operating in relevant regional economy.

(6) Demonstrate that the local planning process and plan are data driven, and that policy decisions at the local level are evidence based. Each high-performance local workforce investment board shall use labor market data to develop and implement the local plan, taking care to steer resources into programs and services that are relevant to the needs of each workforce investment area's relevant regional labor market and high-wage industry sectors. Local workforce investment areas shall demonstrate an evidence-based approach to policymaking by establishing performance benchmarks and targets to measure progress toward local goals and objectives.

(7) Demonstrate investment in workforce initiatives, and, specifically, training programs that promote skills development and career ladders relevant to the needs of each workforce investment area's regional labor market and high-wage industry sectors.

(8) Establish a youth strategy aligned with the needs of each workforce investment area's regional labor market and high-wage industry sectors.

(9) Establish a business service plan that integrates local business involvement with workforce initiatives. This plan at a minimum shall include all of the following:

(A) Efforts to partner with businesses to identify the workforce training and educational barriers to attract jobs in the relevant regional economy, existing skill gaps reducing the competitiveness of local businesses in the relevant regional economies, and potential emerging industries that would likely contribute to job growth in the relevant regional economy if investments were made for training and educational programs.

(B) An electronic system for both businesses and job seekers to communicate about job opportunities.

(C) A subcommittee of the local workforce investment board that further develops and makes recommendations for the business service plan for each local workforce investment board in an effort to increase employer involvement in the activities of the local workforce investment board. The subcommittee members should

be comprised of business representatives on the local workforce investment board who represent both the leading industries and employers in the relevant regional economy and potential emerging sectors that have significant potential to contribute to job growth in the relevant regional economy if investments were made for training and educational programs.

(d) Beginning in the 2013–14 fiscal year, the Governor and the Legislature, as part of the annual budget process, in consultation with the California Workforce Investment Board, shall annually reserve a portion of the 15-percent discretionary fund made available pursuant to the federal Workforce Investment Act of 1998 for the purpose of providing performance incentives to high-performance local workforce investment boards. The remaining discretionary funds shall continue to be available for other discretionary purposes as provided for in the federal Workforce Investment Act of 1998.

(e) Only a workforce investment board that is certified as a high-performance local workforce investment board by the California Workforce Investment Board shall be eligible to receive any incentive money reserved for high-performance local workforce investment boards, as described in subdivision (d). A board that is not certified as a high-performance local workforce investment board shall not receive any portion of the money reserved for high-performance local workforce investment boards, as described in subdivision (d) or any portion of the state’s 15-percent discretionary fund.

(f) The California Workforce Investment Board shall establish a policy for the allocation of incentive moneys to high-performance local workforce investment boards.

(g) The California Workforce Investment Board may consider the utilization of incentive grants pursuant to the federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2864(a)(2)(B)(iii)), for the purposes of this section.

(h) There shall not be a requirement to set aside federal Workforce Investment Act of 1998 funds for the purposes of subdivisions (d), (e), (f), or (g) in years when the federal government significantly reduces the share of federal Workforce Investment Act of 1998 funds appropriated to the state for statewide discretionary purposes below the federal statutory amount of 15 percent.

Approved _____, 2011

Governor